




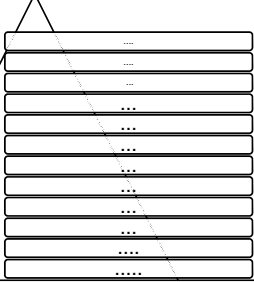



Brexit & impact on IP Rights

Prof. Marie-Christine Janssens
 Centre for IT & IP Law (CiTiP),
 KU Leuven (Belgium)

Beijing, 6 December 2016





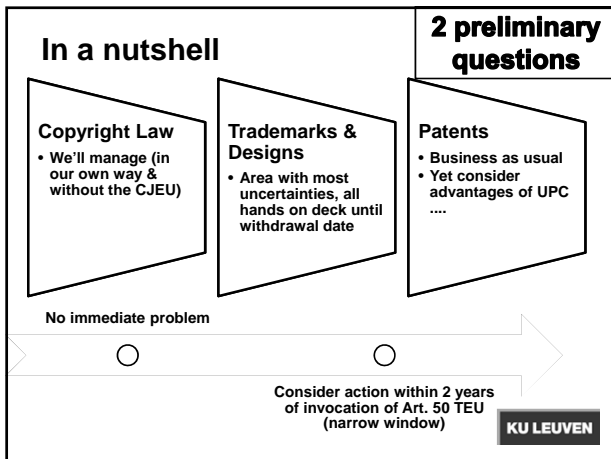
IP matters are unlikely to be top of
the negotiating priority list

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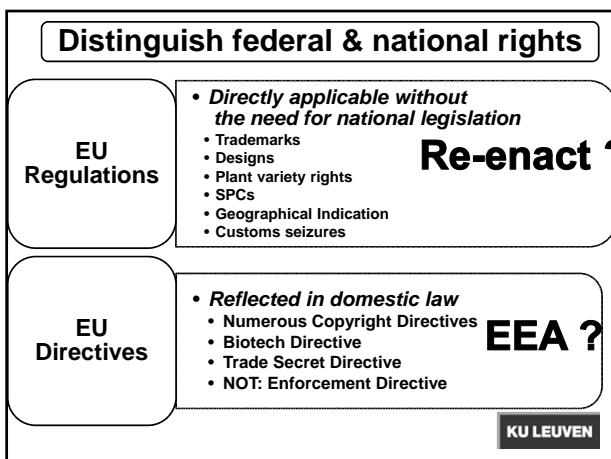
Outline

- ☐ Introduction
- ☐ Copyright Law
- ☐ Trademark Law
- ☐ Other Rights
- ☐ Patent Law

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& Regulations on International Litigation

☐ Jurisdiction

- Regulation 1215/2012 on jurisdiction, recognition and enforcement of judgements (Brussels I)
- ✓ If EFTA → Lugano Convention (comparable, yet less attractive than Brussels I)
- ✓ Become member of Hague Convention on Choice of Court Agreements
 - Not very useful for IP right litigation (Art 2)

☐ Applicable law

- Regulation 864/2007 applicable law to non-contractual obligations (Rome II)
- Regulation 593/2008 applicable law to contractual obligations (Rome I)
- ✓ (largely similar) Rome Convention 1980 will take over

☐ More info:

- A. Van Hooft, Brexit and the Future of Intellectual Property Litigation and Arbitration, *Journal of International Arbitration*, 2016, 541-564

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What does Brexit mean for Copyright Law

Copyright is territorial
(No single title)

However, territorial on paper ...

Brexit & IP Rights – Prof. M-C Janssens

No single title – copyright is territorial

Harmonization
initiated in 1988

New proposals
2016

Step-by- step
approach

- 8 vertical Dir.
- 1 horizontal Dir.

STRONG
ACQUIS

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Copyright post-brexite

Option A – member of EEA

- Harmonization Directives continue to apply
- However:
 - No longer involved in shaping of legislation
 - Not bound by CJEU case law (from a formal standpoint)
 - See Art. 267 TFEU: UK Courts cannot refer questions for preliminary rulings as this is reserved for the courts of *Member States*
 - (Odd) result : bound by EU Directives but no possibility to seek guidance on interpretation
 - Yet: alternative of EFTA Court (which is not the CJEU)

Option B – no EEA

- UK Copyright law can pursue its own route on matters that were difficult in an EU context (see *infra*)
- No benefit from limited liability defence for intermediaries (E-commerce Dir.)!

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For both
UK & EU

Challenges

opportunities

Subject to international minimum norms (Berne, Rome, Trips)

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UK's Copyright future



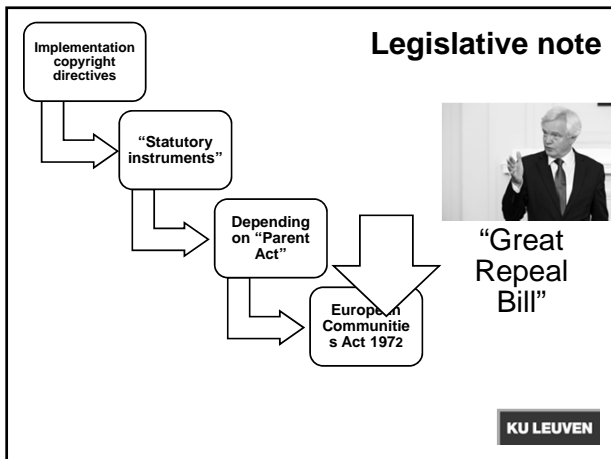
Take back control over shaping:

- Reconsider "acquis communautaire"
 - ✓ Resale right
 - ✓ Notion of originality (back to lower threshold?)
 - ✓ Closed subject matter categorization (instead of open-ended exclusive rights)
 - ✓ Fair dealing & fair use (replacing closed list of exceptions)
 - ✓ Exception of private copying (without compensation scheme)
 - ✓ Sui generis right for databases
- Adapting copyright to new technological challenges in own way
- Quid: injunctive relief against intermediaries (e.g. site-blocking injunctions)?

Setting clock back is not easy

- UK common law copyright model got closer to Authors Right model

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Special situations

Database Directive 96/9 EC

- Two-layer protection scheme
- Harmonisation copyright protection
- Creation new *sui generis* right
- After Brexit (& no EEA)
- Maintain SG right in UK
 - negotiate recognition under terms of Brexit to allow for reciprocal treatment (who will think about this ????)
- Abolish SG right
 - Databases created by UK nationals will no longer benefit from SG in EU (and vice versa)

Sat-Cab Directive 93/83/EEC

- Application Country-of-origin principle
- UK broadcasters (BBC, Virginmedia, Sky, ...) need to clear rights in all MS (or relocate headquarters in EU)
- EU broadcaster continue to benefit from COO principle in UK (due to the Act that implemented Directive)

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EU's Copyright future

- ☐ Deeper harmonisation with the major common law player gone ??
 - Even more civil law approach?
- ☐ Finally solutions for
 - Moral rights
 - Question of authorship
 - Restrictions on transfers of copyright
 - Remuneration schemes
 - Stronger resale right
 - ... Closer to a unified copyright title
- ☐ Yet : EU (& CJEU) own agenda
 - Facilitating free movement of goods & services
 - EU copyright has gained some independence from national traditions

Common law

- Market centered

Droit d'auteur

- Author centered

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Note: new copyright package – lost opportunities ?

- ☐ Regulation on portability across EU borders
 - Cross-border access of digital content (e.g. Sky Cinema or Netflix subscriptions, Spotify account, iPlayer, ...)
- ☐ Regulation on access to online content across EU borders
 - Extension of application of Country of Origin principle (now only linear) to non-linear services
 - ✓ VOD services, on-line games, music streaming based in one MS to be received in other MS : only clearance in one MS
- ☐ Regulation on geo-blocking
 - Preventing blocking access by geographical location
- ☐ DSM Directive
 - E.g. Cross border use for teaching & TDM
 - Facilitate negotiations on licensing agreements for European-produced AV works

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What does Brexit mean for trademarks



Brexit & IP Rights – Prof. M-C Janssens

What does Brexit mean for trademarks?

In the short run → nothing

In the longer run → More complex → Avoid vacuum → No loss of rights



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EU Trademark Law & impact Brexit

UK TMS

- Harmonizing Directive 2015/2436
- UK registrations: nationally applied for, granted & renewed
- Not affected by Brexit

EU TMS

- Regulation 207/2009: EU Trademark
- = unified system providing for unitary
- Centrally applied for, granted & renewed (currently 1.3 million)
- Incorporated in the International registration system (Madrid Protocol)
- Unified right applicable "in all member states" (not EEA states)

Future of UK trademark law ?

☐ A product of EU harmonization, Influenced by significant body of case law from the CJEU

- Many referrals from English courts
- Became part of UK case law
- ✓ Yet not always with enthusiasm (e.g. L'Oréal/Bellure, 2010)

☐ Will Brexit unravel close link with EUTM law?

- If EEA membership (Norway model)
- ✓ Bound by harmonization directives
- If no-EEA membership
- ✓ ?

☐ Note: unregistered trade marks system

- existing law of passing off will be unaffected

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Future of EUTMs?

☐ Total of + 1.3 million

☐ A huge success

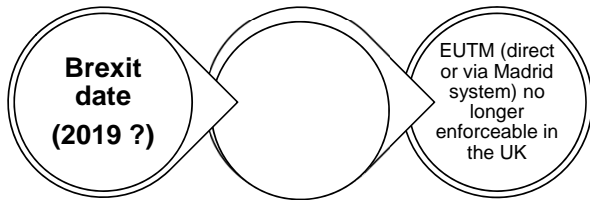
- Low cost, administratively straightforward, unitary protection, simplified enforcement, easy use requirements

☐ Despite some problematic issues

- Unitary nature & distinctive character in 28 MS, prior right in one MS, validity upheld on basis of use in one MS,

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Future of EUTMs?



Quid: pending applications, oppositions, ...?

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Transitional agreements to avoid loss of protection in the UK

Convert into UK rights (maintaining priority)

- Different scenario's (respecting priority date)
- Automatic recognition?
- Automatic creation of a parallel right?
- On request / Opt-in solution (risk to miss deadline)
- Quid administrative burden? Extra fees?

Extend EU registrations by national law (= give national effect)

- Right remains in effect in the UK until date of renewal
- Break at renewal (renewal as EUTM, create UK TM, or both)
- Gradual solution instead of 1.3 million marks at once

Refiling of separate national right

- Complete new application to UKIPO

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Issues for EUTM holders to consider ?

☐ New filings

- Double up EUTM and UK
- Premature to re-file already existing EUTMs as national TMs

☐ Renew existing UK registrations

- Rather than relying on seniority claims for corresponding EUTMs

☐ Use requirement

- EU mark only used in UK
 - ✓ Counts only until effective exit date
 - ✓ From appr. Spring 2024 mark becomes vulnerable to revocation for non-use (in the EU)
- (Converted) UK mark only used outside UK

☐ Reputation of EUTM

- Mere reputation in the EU will no longer count
- Collect evidence from other countries

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International perspective

☐ Trademarks

- UK is member of Madrid System (Agreement & Protocol)
 - ✓ One application, one language to protect mark in more than 100 countries, including separately UK

☐ Designs

- UK (still) needs to ratify Hague Agreement for international registration
 - ✓ one single international application for registering up to 100 designs in over 65 territories

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Cf. RCD & CPVR

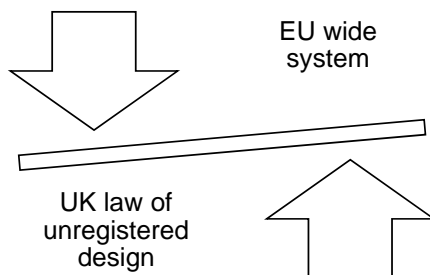
- ☐ Registered Community Design granted by the EUIPO (Alicante, Spain)

- ☐ Community Plant Variety Right granted by the Community Plant Variety Office (Angers, France)

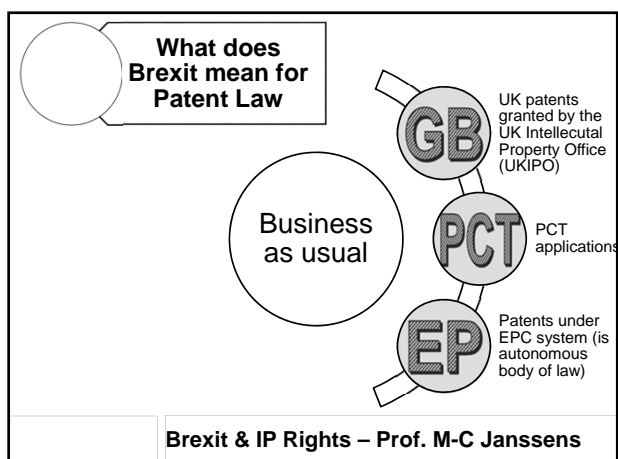
- ☐ At time of exit, existing rights will cease to be valid in the UK
 - Similar steps may be considered as for EUTM

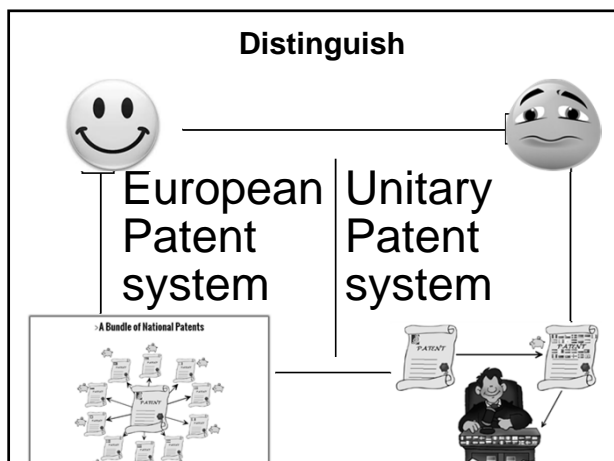
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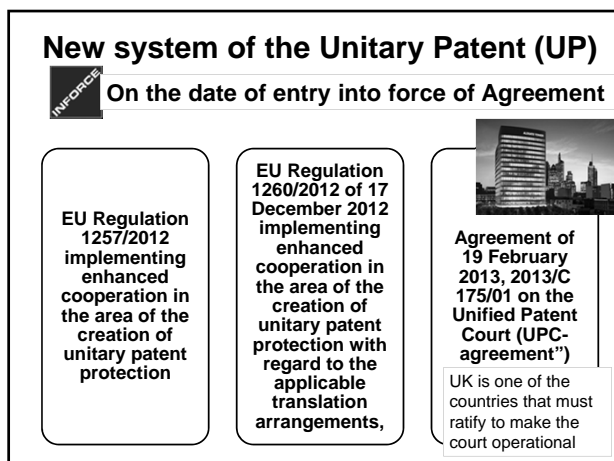
Unregistered designs (UCD)

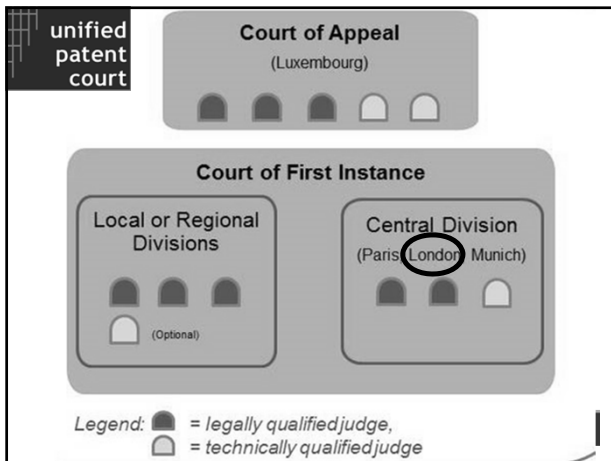


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Legal problems with the UPCA

- ❑ Art. 89 (1)
 - Ratification by 13 MS, including the "three Member States in which the highest number of European patents had effect in the year preceding the year (of) the signature of the Agreement"
 - ✓ i.e. Germany, France & UK
- ❑ Art. 7
 - Central Division of the UPC will have a seat in London, Paris and Munich
- ❑ Art. 84
 - on ratification and signature (EU Membership status required)
- ❑ Art. 20
 - ✓ UPC will apply EU law in its entirety and will respect its primacy ...
 - politically acceptable?



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Brexit: the new EU IP landscape

What is the impact of Brexit?

Benoit Battistelli, President of the EPO:

"In the best case scenario, the UK could go ahead as soon as possible with ratification... member states may allow the continued participation of the UK, even after the 'Brexit' takes effect"

IP Federation:

"we support the UP and the UPC with the UK participating on the current terms... Without a guarantee of continued participation post-Brexit, the UK should not ratify the UPC"

IAM magazine:

"It is politically wrong and irresponsible to ignore the plough on with the UPC"

UK ratification of UPCA is critical.

Four possible scenarios:

- UK ratifies the UPCA once Brexit terms are agreed to allow the UK to continue to participate
- UK does not ratify and tries to kill the project
- UK does not ratify and drops out on Brexit; the Unitary Patent package survives without the UK
- UK ratifies the UPCA soon and negotiates to stay in on Brexit, which may or may not work

Unitary Patent

28 Nov. 2016 - meeting of the EU Competitiveness Council



- The UK Government has confirmed it is proceeding with preparations to ratify the Unified Patent Court Agreement (UPCA). This is part of the process needed to realise the Unitary Patent and Unified Patent Court.

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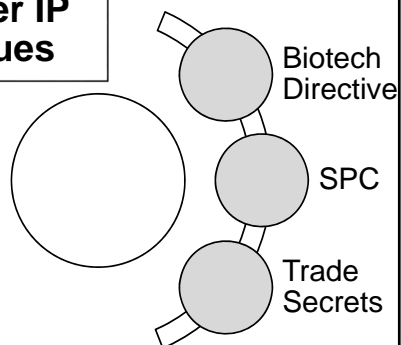
A (Not longer least) Possible option

**UK
ratifies
the
UPCA
before
formally
leaving
the EU**

- The system starts operating as originally envisaged
- Following entry into force
 - New agreements/amendments to UPCA should be negotiated → may be endorsed in art. 50 negotiations
 - State that a Contracting MS that has ratified will not lose its status if it leaves the EU or replace "contracting MS" by "contracting states"
 - Open UPCA membership to non EU-MS (art. 84)
 - Sign new Protocol providing for the extension of the UP to the UK
 - ...
- UK will have to accept the supremacy of EU law as regards proceedings before the UPC Court
- OR failing:
 - See other scenarios

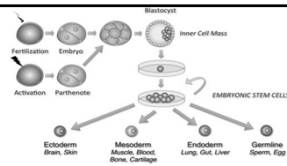
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Other IP issues



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Biotech Directive



Theoretically

Case law of CJEU ceases to be applicable

In practice

Boards of Appeal of EPO follow the CJEU rulings on biotech D.

UK Courts will continue to follow the BoA rulings

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Supplementary Protection Certificates

SPC grant term extension to patents for pharmaceuticals and agrochemicals, administered at the national level

❑ Post Brexit,

- likely that SPCs will continue to be available as they are not granted by an EU institution but by national authorities (UKIPO)

❑ Two possible scenario's

- In case of EFTA and EEA (cf. Norway)
 - ✓ SPC Regulation continues to apply (no change)
 - ✓ Referrals will be made to EFTA Court (not CJEU)
- In case of (no) EFTA and not EEA (cf. Switzerland)
 - ✓ UK will need to enact its own SPC regulations

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Geographical indications

- ❑ A UK-based applicant for a GI will be eligible to register at the European Commission & will be treated as a 'non-EU' applicant

- He will not be able to use the official EU logo



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Trade Secret Directive 2016

**TRADE
SECRET**

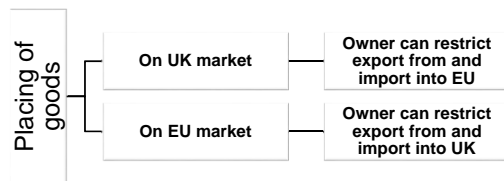
☐ Implementation deadline =

☐ No need

- UK already exceeds minimum standards
- Better not change to avoid legal uncertainty

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Last but not least: Brexit & Impact on parallel trade EU-UK ! (Issue of Exhaustion if no EEA member)



International exhaustion in UK law?
